

84-7699/1

22 JUL 1981

REFERENCE

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : James N. Glerum
Director of Personnel

SUBJECT : Evaluation of CIA Compensation Practices

1. Action Requested: Paragraph 4 contains a recommendation for your approval. (U)

2. Background

A. On 1 July I provided you a concept paper on developing and implementing a CIA Compensation Plan. One phase of the proposed study is to isolate existing compensation problems in the Agency and to identify methods to redress them. My intent was to have my Staff perform and document this review. (AIUO)

B. The DCI's letter to the House Committee on 14 July regarding additional compensation for our personnel overseas affirmed that CIA would undertake an overseas compensation study to be completed by 1 February 1982. This study is not limited to CIA but is to include all civilian positions in the Intelligence Community overseas. (S)

3. Staff Position

A. Although I have the in-house expertise and capability to perform both an evaluation of the existing Agency compensation system and the design and installation of a new plan, the recent discussions with Congressional committee members regarding overseas compensation have convinced me that it may be more beneficial to have the diagnostic phase performed by an outside consultant. An objective review by an independent group would lend more credence to the need for a CIA Compensation Plan and for establishing a proper linkage between the overseas salaries of CIA and other Intelligence Community civilians. There is ample precedent for this approach because NSA is currently employing a consultant to perform a compensation study of this type and the State Department has for some time used a consultant to develop/update its FSO Pay Schedule. (S)

WARNING NOTICE
INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET

25X

- A diagnostic study to identify existing compensation problems in the Agency. (U)

- A review and analysis of CIA white collar pay practices for both domestic and overseas personnel. (S)

- A firsthand look and evaluation of selected CIA and other Intelligence Community white collar positions overseas and a determination as to proper linkages of related occupations among community agencies. (S)

- A quantitative assessment of the extent to which the GS Schedule has adequately facilitated recruitment and internal career management objectives and needs of the Agency in general. (U)

- If indicated from the review and analysis, identify and recommend options for needed modifications to existing compensation systems. (Actual development/modifications to pay system are to be developed and implemented by the Office of Personnel Position Management and Compensation Division.) (U)

C. It is estimated that the study would be completed within 90 days following security clearances for the individuals performing the study. The approximate cost will be \$80,000 to \$100,000. The Comptroller has agreed to make the necessary funding available. (AIUO)

D. I recommend a sole-source contract with Towers, Perrin, Forster and Crosby to perform this study on the basis of my Staff's recommendation, my review of the firm, the time constraints involved, the fact that the firm is performing a diagnostic study for NSA and has Top Secret clearances currently for three members of the firm, the extensive overseas data base maintained by the firm, its experience in Federal, exempt and commercial compensation systems and its reputation as one of the top-rated compensation consulting firms in the nation. I have informally discussed this sole-source contract with the Director of Logistics who has interposed no objection. (AIUO)

4. Recommendation

It is recommended that you approve a consultant contract with Towers, Perrin, Forster and Crosby to perform a pay comparability study as outlined in paragraph 3 above. (AIUO)

/s/ James N. Glerum
James N. Glerum

APPROVED

/s/ B. R. Inman

22 JUL 1981

Deputy Director of Central Intelligence

Date

SECRET

Distribution:

Orig. - Return to D/OP

- 1 - DDCI
- 1 - ER
- 1 - D/Logistics via DDA
- 1 - D/Finance via DDA
- 1 - DDO
- 1 - DDS&T
- 1 - DD/NFA
- 1 - AO/DCI
- 1 - Comptroller
- 1 - PMCD

SECRET